As we approach the end of the semester, I would like to update you on where City College stands at this crucial juncture. As I write this, our students and faculty have completed their classes for the semester. People are hunkering down for finals and, over the next few days, CCSF will begin to quiet down as members of our community prepare for the holidays.

Much work will continue during the break. Our College has many tasks to complete to be able to report meaningful progress to the Accreditation Commission on March 15. I am confident we will get to this important goal, thanks in large part to the continued hard work, dedication, and passion of our Trustees, faculty, staff, and students. Thank you again for helping us stay on the road to recovery.

As I have written recently, it’s become clear that our fiscal situation will worsen because of declining enrollment. For the second year in a row, CCSF will not make its base enrollment of 34,000 FTES. In California, community colleges are “held harmless” the first year enrollment dips and allowed to make up the numbers in year two. If that doesn’t happen, the state sees the college as a smaller institution and funds it accordingly. Unfortunately, we are on that path.

This creates a $6.5 million shortfall for the current year. If enrollment continues to decline we will feel impacts in FY 2013-14 and beyond. CCSF does not have reserves to cover these losses. So we must act now.

We are extremely grateful that the voters passed both Proposition 30 and Proposition A – but neither will help with the current or near-term enrollment shortfall. Proposition 30 prevented additional cuts planned by the state but did not add any new revenues this year. Proposition A revenues will not come in until December 2013 at the earliest.

Over the coming days and weeks you will hear about additional steps CCSF will be taking to deal with this latest issue. Because 92% of all our funds currently go to salaries, benefits, and other personnel costs, we must necessarily turn to a discussion of wage and position reductions to achieve meaningful and lasting budgetary balance. If current and future efforts to reverse declining enrollment are successful, wages and positions could come back.

The anticipated $6.5 million shortfall for the current year equates to 4.4% of our total annual payroll. That is where cuts must now be made, and it is only appropriate that the sacrifice be shared among all employee groups. Over the coming days, you will hear more about a combination of wage reductions and layoffs that will be implemented or negotiated with our labor unions.

In my career as a teacher and administrator, I have been through many rounds of collective bargaining. I understand that these are painful times affecting your personal and professional lives. What we are asking for is difficult but necessary if we are to survive this fiscal crisis and reform our College for the benefit of our students and our community.

I will continue to keep you up to date on our progress and thank you for your dedication.

My very best wishes to you and your families for the holiday season.